

Hemp Processing Definitions and License Applications

4.19.xxx HEMP PROCESSING LICENSE AND FEE (1) A Montana Hemp Processing License for hemp floral and root extracts is required.

(a) The fee for processing hemp floral and root extracts is \$2,500 per year.

(b) All other hemp processors of hemp grain, seed, seed oil, and fiber may apply for a Hemp Processing License for \$1,000 per year.

(2) Persons compliant with other state and federal licensing requirements specific to processing and manufacturing of hemp plants and plant parts are exempt from this processing license.

(a) A Hemp Processing License is required to be exempt from the Commodity Dealer License requirement.

(3) Licensed hemp growers may process their own hemp production without a Hemp Processing License.

(4) Hemp Processing Licenses expire on December 31 each year.

(5) A hemp processor is subject to inspection, THC testing, pesticide testing, and any other testing requested by law enforcement or the Montana Department of Agriculture. Both the hemp stored therein, and the products derived from the hemp must comply with state and federal law.

(6) Hemp processing derivatives may include products for food, fiber, oils, supplements, or drugs except for THC production. THC extracted from hemp plants or hemp floral extraction must be legally disposed of in a manner consistent with state and federal regulations.

(7) Manufacturers purchasing from licensed hemp processors in Montana are not required to possess a Hemp Processing License.

(8) Hemp processors must comply with city, county, and tribal ordinances and laws. Such ordinances may prohibit hemp processing and/or specify additional requirements.

(9) Use of hemp and its derived products in food is subject to the laws and regulations of the United States Food and Drug Association (FDA) and the Montana Department of Public Health and Human Services (DPHHS). (History: 80-18-107, MCA; IMP, 80-18-102, 80-18-103, 80-18-107, MCA; NEW, 2019 MAR p. 1369, Eff. 8/24/19.)

4.19.xxx HEMP PROCESSING FOR A COMMODITY DEALER (1) A person or entity with a Hemp Processing License for calendar year 2019 to 2020 may contract with licensed Montana hemp producers without a Commodity Dealer License under the following conditions:

(a) the hemp producer acknowledges the hemp processor is not a licensed commodity dealer in Montana, meaning the processor does not have a commodity dealer bond, by signing a written statement;

(b) the total amount of contracted hemp does not exceed \$10 million; or

(c) they are purchasing or processing hemp stalks for fiber.

(2) Hemp processors are subject to all remedies of the department included in 80-4-612, MCA, and powers of inspection included in 80-4-601, MCA.

(a) In the event a hemp processor does not pay a licensed hemp producer possessing a contract that would otherwise be subject to Agricultural Commodity Dealer laws, the department may pursue remedies. (History: 80-4-402, 80-4-601, 80-18-107, MCA; IMP, 80-4-402, 80-4-601, 80-18-102, MCA; NEW, 2019 MAR p. 1369, Eff. 8/24/19.)